

An Auditor's Role in Organizational Culture



The Institute of
Internal Auditors
Chicago

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Speaker Bio

Chrystal began her career as a secretary at the Florida Auditor General. She enjoyed the work and the people so she went to school at night and worked during the day. She eventually obtained her Bachelor's in Accounting from Flagler College. She started as an IT Auditor shortly thereafter.

In 2022, she accepted the Director of Internal Audit in the Florida Department of Revenue's Office of Inspector General. She came to Chicago in September 2023 as Director of Internal Audit at Northeastern Illinois University.

She is a Certified Inspector General, Certified Internal Auditor, Certified Information System Auditor, and a Certified Government Financial Manager.

Learning Objectives

- 1) Define Culture
- 2) Audit's "Primary" Role
- 3) Basics of an Audit of Culture
- 4) Other Ways Audit Can Impact Culture



Section Break



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PEAS & CARROTS

You can't discuss culture without discussing ethics.

THEY JUST GO TOGETHER.



ETHICS

The discipline dealing with what is good and bad and with moral duty and obligations.

(Merriam-Webster)



MORE SIMPLY...

Ethics are the standards or codes of right and wrong which influence how we conduct ourselves.



CULTURE

VALUES

BELIEFS

ATTITUDES

POLICIES

BEHAVIORS

NORMS

SOCIAL INTERACTIONS



They all make up the atmosphere in a work environment.

A healthy environment (Good Culture) aligns values, beliefs, and norms with their policies and procedures.

Policies and procedures align with organizational goals and consider the well-being of the individual in the workplace.

SO HOW DO YOU KNOW?

Is the alignment there?

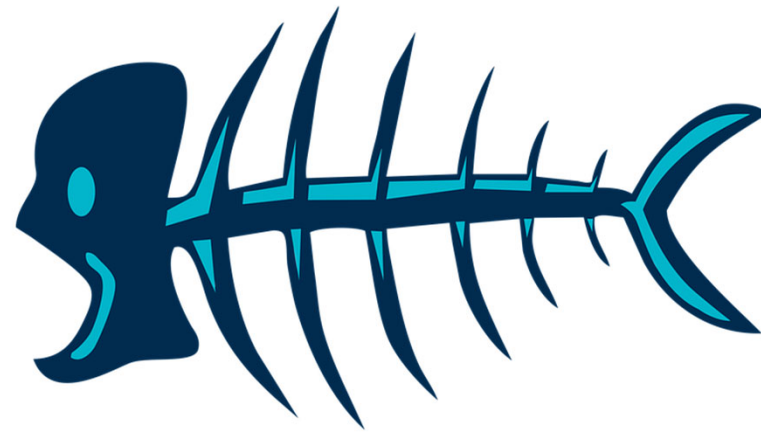
Is it obvious from policies, procedures, actions, etc?

Do people seem happy?



DOES SOMETHING SMELL BAD?

(aka doesn't pass the sniff test)



A fish rots from the head down.

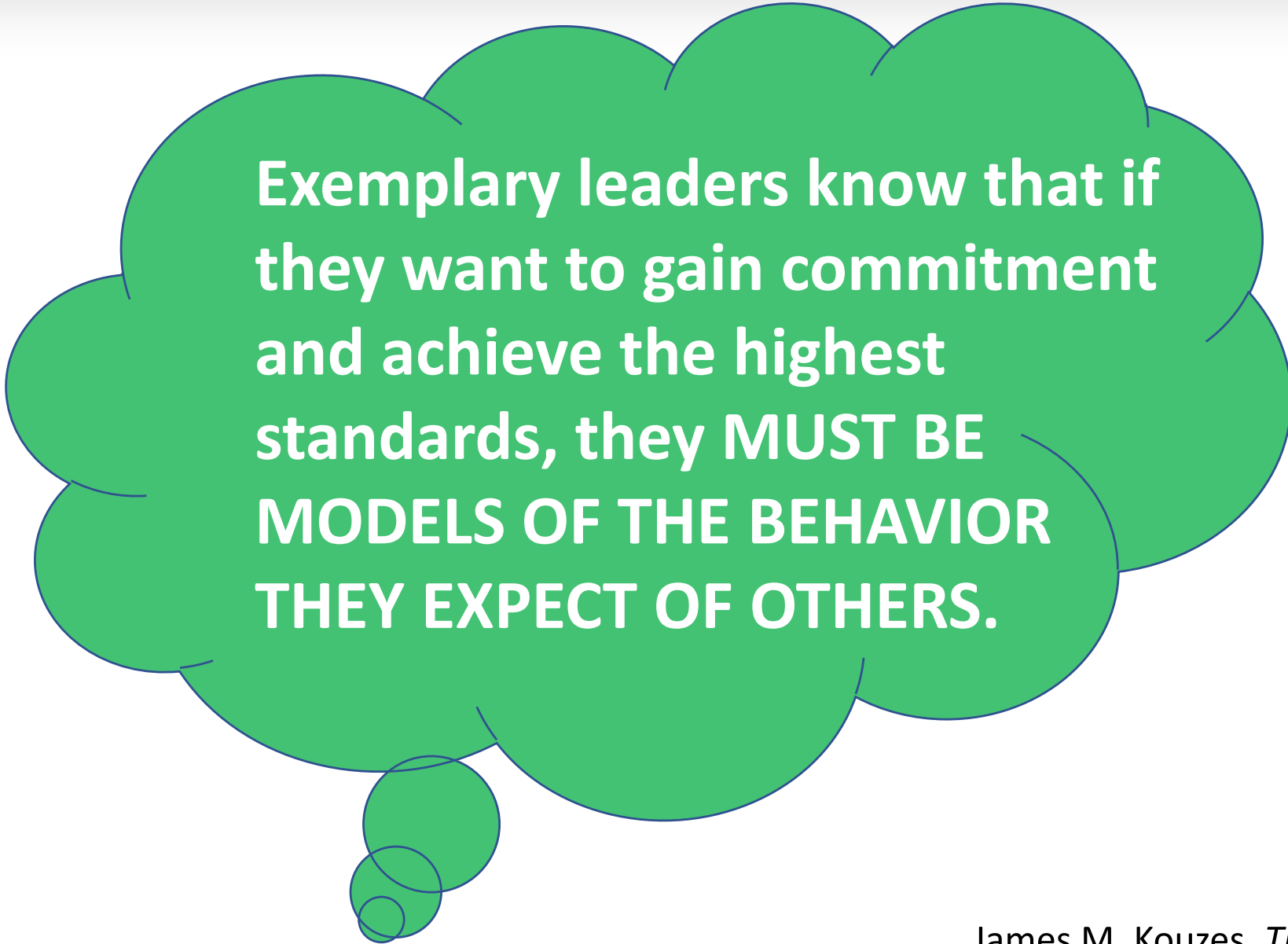


TONE AT THE TOP

The ethical climate (culture) is established by those “at the top.”

- **President**
- **Vice-President**
- **CEO**
- **CFO**
- **Board of Directors**
- **Senior Management**





Exemplary leaders know that if they want to gain commitment and achieve the highest standards, they **MUST BE MODELS OF THE BEHAVIOR THEY EXPECT OF OTHERS.**

James M. Kouzes, *The Leadership Challenge*



SO, CULTURE IS...

Values, behaviors, beliefs, norms, attitudes, etc.

AND

Leadership influences all of it!



Internal Audit's "Primary" Role

Auditors audit.

- **Compliance**
- **Effectiveness & Efficiency**
- **Governance Processes**




Have you performed an Audit of Culture?



Audits of Culture – The Basics

- 1. Identify the daily management activities which occur throughout the organization.**
- 2. Assess current organizational culture.**
 - Where do you feel there is a strong culture?**
 - Where do you think needs improvement?**

- 
- 3. Create a survey and send to all employees.**
 - Gives you data on employee perceptions.
 - Questions can relate to leadership, communication, teamwork, etc.

 - 4. Review policies and procedures.**
 - Do they align with the stated organizational values?
 - Can help you identify places your organization is falling short.



Often forgotten during an audit of culture...

5. Assess the physical environment.

- Consider lighting, noise, office layout, include ADA
- Can show you if an organization is valuing employee comfort and safety while they are working, which can impact culture.



What else can auditors do???



BE A PERSON OF INFLUENCE



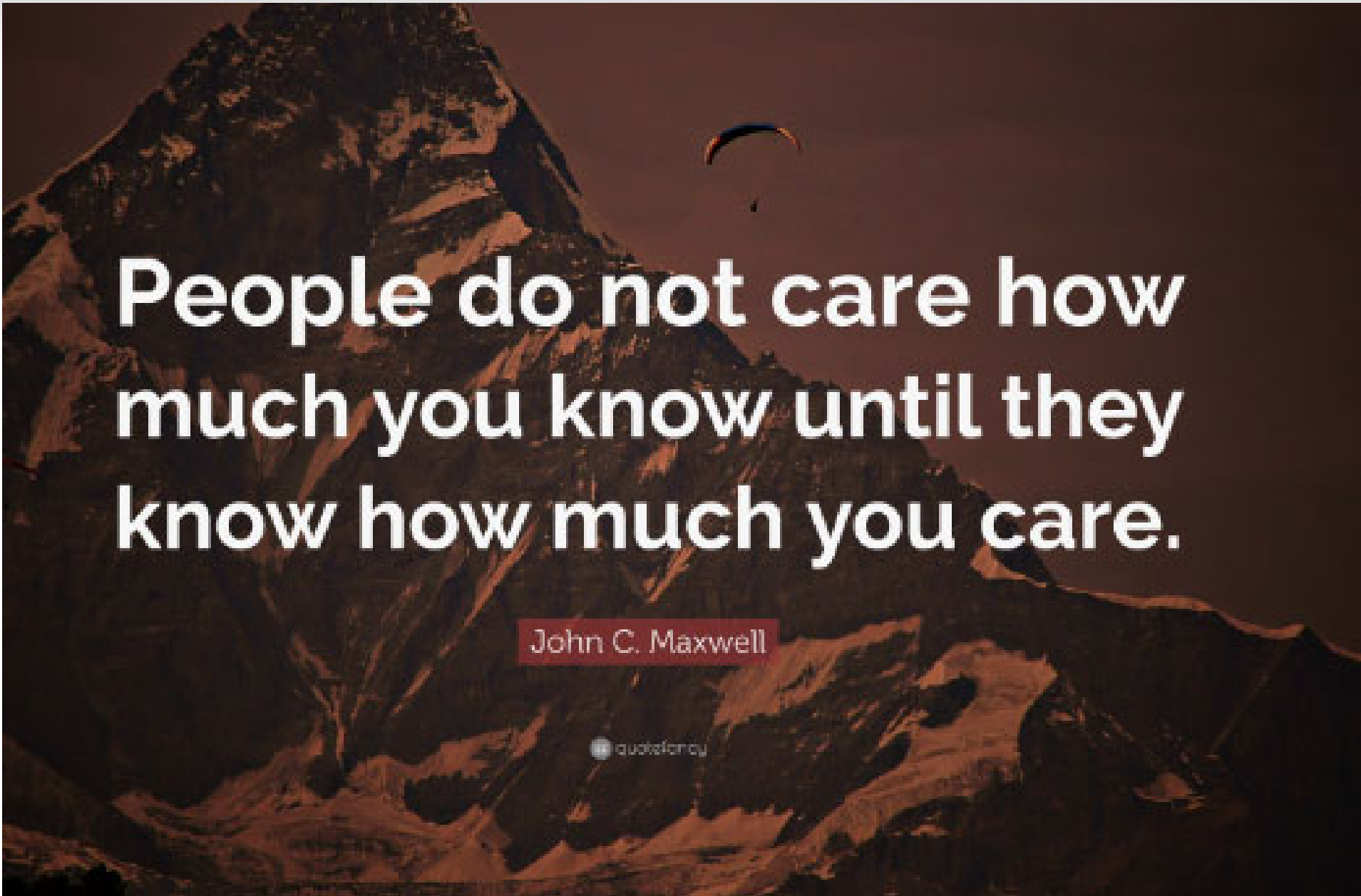
We're talking about






**Why do I think RELATIONSHIP may
matter more than AUDIT?**





People do not care how
much you know until they
know how much you care.

John C. Maxwell

 quote fancy



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Oh, they will care about audit findings!!

What if I said they will care **MORE when they know how much you care about the organization and the people in it?**



It WILL make a difference!

The more people know you care, the more you are trusted to do the right things, to treat people fairly and well, the more people will come to you.

They will seek you out instead of waiting on you to audit.

Your influence will grow as you help others.



RECAP

Ethics – standards of right and wrong.

Culture – the values, beliefs, attitudes, policies, behaviors, norms that make up the atmosphere in an organization.



RECAP – how YOU influence (in my order or priorities)

Be People of Influence through Relationship.

Trustworthy

Caring

Fair

Auditing

Identify risks and weaknesses

Consider an audit of your cultural environment



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QUESTIONS?

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